

THE HONORABLE JAMES L. ROBART

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

DANIELLE COVARRUBIAS and JUSTIN COFFEY, individually, and on behalf of a class of others similarly situated,

Plaintiffs,

vs.

AMERICAN AIRLINES, INC., a Delaware corporation, and AMERICAN EAGLE AIRLINES, INC., a Delaware corporation,

Defendants.

No. 2:10-cv-01158-JLR

**DEFENDANTS' MOTION TO DISMISS**

NOTED FOR: January 24, 2014

Defendants American Airlines, Inc. ("American") and American Eagle Airlines, Inc. ("Eagle") respectfully request that this action be dismissed with prejudice against them because neither of the Plaintiffs, Danielle Covarrubias ("Plaintiff Covarrubias") or Justin Coffey ("Plaintiff Coffey", and together with Plaintiff Covarrubias, the "Plaintiffs"), filed proofs of claims against American or Eagle in Defendants' bankruptcy cases. Consequently, the Plaintiffs are forever barred, estopped, and enjoined from prosecuting this action against American or Eagle.

Defendant's Motion to Dismiss- 1

Wong Fleming  
2340 130<sup>th</sup> Ave NE #D-150  
Bellevue, WA 98005  
Tel: (425) 869-4040 Fax: (425) 869-4050

**Background**

1       1. On July 16, 2010, Plaintiff Covarrubias commenced this action against  
 2 American, asserting claims regarding her alleged payment of a \$25 checked baggage fee.  
 3 (Doc. #1). She purported to act on behalf of a class, but no class was ever certified in this  
 4 action. On August 23, 2010, Plaintiff Covarrubias filed a First Amended Complaint, in which  
 5 Plaintiff Coffey joined as a Plaintiff and those two Plaintiffs added Eagle as a second  
 6 Defendant.

8       2. Beginning November 29, 2011, AMR Corporation and its related debtors,  
 9 including American and Eagle, as debtors and debtors-in-possession (collectively, the  
 10 “Debtors”), each commenced a voluntary case under Chapter 11 of Title 11 of the United States  
 11 Code (“the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern  
 12 District of New York. The Debtors’ Chapter 11 cases are jointly administered under Case  
 13 Number 11-15463 (SHL).

15       3. The commencement of the Debtors’ Chapter 11 cases triggered the automatic  
 16 stay set forth under Section 362(a) of the Bankruptcy Code, which “operates as a stay  
 17 applicable to all entities of – (1) the commencement or continuation . . . of a judicial,  
 18 administrative, or other action or proceeding against the debtor that was or could have been  
 19 commenced before the commencement of the” bankruptcy case. 11 U.S.C. § 362(a).

21       4. On November 29, 2011, American and Eagle filed a Suggestion of Bankruptcy  
 22 with this Court, providing all parties notice of the Chapter 11 cases and the automatic stay.  
 23 (Doc. #45). This action has remained stayed since that filing.

5. On October 21, 2013, the Bankruptcy Court entered its Findings of Fact,  
 1 Conclusions of Law, and Order Pursuant to Sections 1129(a) and (b) of the Bankruptcy Code  
 2 and Rule 3020 of the Federal Rules of Bankruptcy Procedure Confirming Debtors' Fourth  
 3 Amended Joint Chapter 11 Plan (ECF No. 10367) (the "Confirmation Order."), which, among  
 4 other things, confirmed the Plan.<sup>1</sup> Pursuant to the Notice of Occurrence of Effective Date of  
 5 Debtors' Fourth Amended Joint Chapter 11 Plan, the effective date of the Plan was December  
 6 9, 2013 (the "Effective Date"). Pursuant to the Plan and related Merger Agreement, the parent  
 7 company of the Reorganized Debtors became American Airlines Group Inc. ("AAG")  
 8 (collectively the "Reorganized Debtors").<sup>2</sup>

6. By Order dated May 4, 2012 (ECF No. 2609) (the "Bar Date Order"), the  
 11 Bankruptcy Court established July 16, 2012, as the deadline (the "Bar Date") for creditors to  
 12 file proofs of claims based on prepetition liabilities against the Debtors. The Bar Date Notice  
 13 attached to the Bar Date Order states that any party that fails to file a proof of claim on or  
 14 before the Bar Date will be forever barred from "asserting such Claim against the Debtors and  
 15 their chapter 11 estates" and "participating in any distribution in the Debtors' cases on account  
 16 of such Claim." See Bar Date Order at 17.

7. The Claims Register in the Chapter 11 cases does not reflect a proof of claim  
 19 filed by either Plaintiff Covarrubias or Plaintiff Coffey.

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<sup>1</sup> Due to its volume, the Plan and the Confirmation Order are not attached to this Motion; however all documents filed on the docket of the Chapter 11 cases are publicly available free of charge at [www.amrcaseinfo.com](http://www.amrcaseinfo.com).

<sup>2</sup> Capitalized terms pertaining to the Plan and Confirmation Order that are not defined in this Motion have the same meaning as in the Plan.

8. Pursuant to Section 10.5 of the Plan (the “Plan Injunction”), and paragraph 56 of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest are enjoined from taking any actions to interfere with the implementation or consummation of the Plan. In addition, pursuant to Section 7.1 of the Plan, the Reorganized Debtors are entitled to resolve Disputed General Unsecured Claims. Therefore, the Reorganized Debtors are the proper parties to bring this Motion.

## Argument

9. Section 1141(d)(1)(A)(i) of the Bankruptcy Code provides that the entry of the Confirmation Order discharges the debtor from any debt that arose before the date of such confirmation, whether or not “a proof of the claim based on such debt is filed or deemed filed under section 501 of this title.” 11 U.S.C. § 1141(d)(1)(A)(i). In addition, Section 10.2 of the Plan provides that upon the Effective Date “all existing Claims against the Debtors and Equity Interests in the Debtors shall be, and shall be deemed to be, discharged and terminated”. Furthermore, Section 10.2 of the Plan also provides that all holders of Claims are enjoined from asserting any other or further Claim against the Reorganized Debtors “whether or not such holder has filed a proof of Claim... and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.”

10. Pursuant to Section 1141(d)(1)(A)(i) of the Bankruptcy Code and the Plan, the Plaintiffs' action against the Debtors was discharged on the Effective Date of the Plan and therefore should be dismissed. In addition, because the Plaintiffs have not filed proofs of claims against American or Eagle, nor have sought any authority to do so, the Plaintiffs are forever barred, estopped, and enjoined from asserting a Claim against American or Eagle and

from "participating in any distribution in the Debtors' cases on account of such Claim." *See* Bar Date Order at 17. Furthermore, under the Plan Injunction, the Plaintiffs are barred from taking an action to interfere with the terms of the Plan. Consequently, this action may not proceed as to American and Eagle and should be dismissed with prejudice.

**Conclusion and Prayer for Relief**

Defendants American Airlines, Inc., and American Eagle Airlines, Inc., respectfully request entry of an Order dismissing this action with prejudice and such other and further relief as is just.

DATED this 30th day of December, 2013.

Wong Fleming

By: s/ Dianna J. Caley  
Dianna J. Caley, WSBA#23413  
2340 130<sup>th</sup> Ave. NE #D-150  
Bellevue, WA 98005  
Telephone: (425) 869-4040  
Facsimile: (425) 869-4050

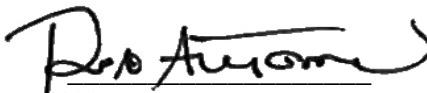
Michael V. Powell (*pro hac vice*)  
Locke Lord LLP  
2200 Ross Avenue, Suite 2200  
Dallas, TX 75201  
Telephone: (214) 740-8000  
Facsimile: (214) 740-8800  
Attorney for Defendants

**CERTIFICATE OF SERVICE**

1  
2 On December 30, 2013, I caused to be electronically filed the foregoing with the Clerk  
3 of the Court using the CM/ECF system, which will send notification of such filing to the  
4 following attorneys of record:

- 5 • **Dianna Caley**  
6 [dcaley@wongfleming.com](mailto:dcaley@wongfleming.com), [rarustamova@wongfleming.com](mailto:rarustamova@wongfleming.com)  
7 • **Casey R Ingels**  
8 [cinglels@ongaroburtt.com](mailto:cinglels@ongaroburtt.com), [garrettferencz@hotmail.com](mailto:garrettferencz@hotmail.com)  
9 • **Donald W. Heyrich**  
10 [dheyrich@hkm.com](mailto:dheyrich@hkm.com)  
11 • **Michael V Powell**  
12 [mpowell@lockelord.com](mailto:mpowell@lockelord.com), [ptreni@lockelord.com](mailto:ptreni@lockelord.com)

13 Wong Fleming

14   
15 Rina Arustamova  
16 Paralegal